

Filed for intro on 02/15/2001  
SENATE BILL 1734 By  
McNally

HOUSE BILL 1819  
By Caldwell

AN ACT to amend Tennessee Code Annotated, Title 62, Chapter 20, Part 1, relative to collection services.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 62, Chapter 20, Part 1, is amended by adding the following language as a new, appropriately designated section:

62-20-127.

(a) No collection service business, nor any manager, employee or agent thereof, may collect or attempt to collect any indebtedness without complying with the following:

(1) Within five (5) days after the initial communication with a consumer in connection with the collection of any debt, a debt collector shall, unless the following information is contained in the initial communication or the consumer has paid the debt, send the consumer a written notice containing:

(A) The amount of the debt;

(B) The name of the creditor to whom the debt is owed;

(C) A statement that unless the consumer disputes the validity of the debt, or any portion thereof within thirty (30) days after the receipt of the notice, the debt will be assumed to be valid by the debt collector;

(D) A statement that if the consumer notifies the debt collector in writing within such thirty-day period that the debt, or any portion thereof, is disputed, the debt collector will provide verification or a copy of the judgment will be mailed to the consumer by the debt collector; and

(E) A statement that, upon the consumer's written request within such thirty-day period, the debt collector will provide the consumer with the name and address of the original creditor, if different from the current creditor.

(b) If the consumer notifies the debt collector in writing within the thirty-day period provided in subsection (a) that the debt, or any portion thereof, is disputed, or that the consumer requests the name and address of the original creditor, the debt collector shall cease collection of the debt, or any disputed portion thereof, until the debt collector obtains verification of the debt, of any copy of judgment, or the name and address of the original creditor, and a copy of such verification or judgment, or name and address of the original creditor, is mailed to the consumer by the debt collector.

(c) The failure of a consumer to dispute the validity of a debt under this section shall not be construed by any court as an admission of liability by the consumer.

(d) A violation of this section constitutes ground for imposition of a civil penalty up to one thousand dollars (\$1,000) and is ground for the suspension, revocation or nonrenewal of any license issued pursuant to this chapter.

SECTION 2. This act shall take effect July 1, 2001, the public welfare requiring it.